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# **POLLUTION PREVENTION INCENTIVES FOR STATES < PPIS = FY 1998 GRANT GUIDANCE**



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# **POLLUTION PREVENTION INCENTIVES FOR STATES FY 1998 GRANT GUIDANCE**

## **I. INTRODUCTION**

Under the authority of the Pollution Prevention Act of 1990, EPA plans to award \$5 million in pollution prevention grants to the states in FY 1998. These grant dollars are targeted at State and Tribal programs that address the reduction or elimination of pollution across all environmental media: air, land, and water. Since the inception of the grant program, EPA has awarded approximately \$49 million.

This guidance describes the process by which EPA will award the grants under the Pollution Prevention Incentives for States (PPIS) grant program. EPA is continuing to focus this grant program to foster sustainability of pollution prevention programs and ensure that pollution prevention (P2) is a critical component in how states deliver environmental protection in the future. This document provides an overview of the program, description of the evaluation criteria, and time lines for submissions and final awards.

The purpose of the PPIS grant program is to support the establishment and expansion of State and Tribal multimedia pollution prevention programs. EPA specifically seeks to build State pollution prevention capabilities or to test, at the State level, innovative pollution prevention approaches and methodologies. Funds awarded under the PPIS grant program must be used to support P2 programs that address the transfer of potentially harmful pollutants across all environmental media: air, water, and land. Programs should reflect comprehensive and coordinated pollution prevention planning and implementation efforts State wide.

## **II. AUTHORIZATION**

Section 6605 of the Pollution Prevention Act (the Act) of 1990 authorizes a matching grant to States for programs to promote the use of source reduction techniques by businesses. EPA has designated the PPIS grant program to implement the Act. In evaluating grant applications, the Act further notes that the State grants should, among other criteria:

- make specific technical assistance available to businesses seeking information about source reduction opportunities,
- target assistance to businesses for whom lack of information is an impediment to source reduction,

- provide training in source reduction techniques.

The Act defines source reduction as any practice which:

- reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment (including fugitive emissions) prior to recycling, treatment or disposal; and
- reduces the hazards to public health and the environment associated with the release of such substances, pollutants, or contaminants.

Source reduction under the Act includes: equipment or technology modifications, process or procedure modifications, reformulation or redesign of products, substitution of raw materials, and improvements in housekeeping, maintenance, training, or inventory control.

### **III. PROGRAM HISTORY**

EPA started the PPIS grant program with the philosophy that states should play a primary role in encouraging industry, small and medium-sized businesses, local governments, and the public to shift priorities from pollution control to pollution prevention. EPA established the program believing that since states have more direct contact with generators, they are, therefore, more aware of their needs and problems and in a better position to provide pollution prevention assistance. As a result, state-based environmental programs make a unique contribution to the national effort to promote source reduction.

EPA set the following goals at the outset of the program:

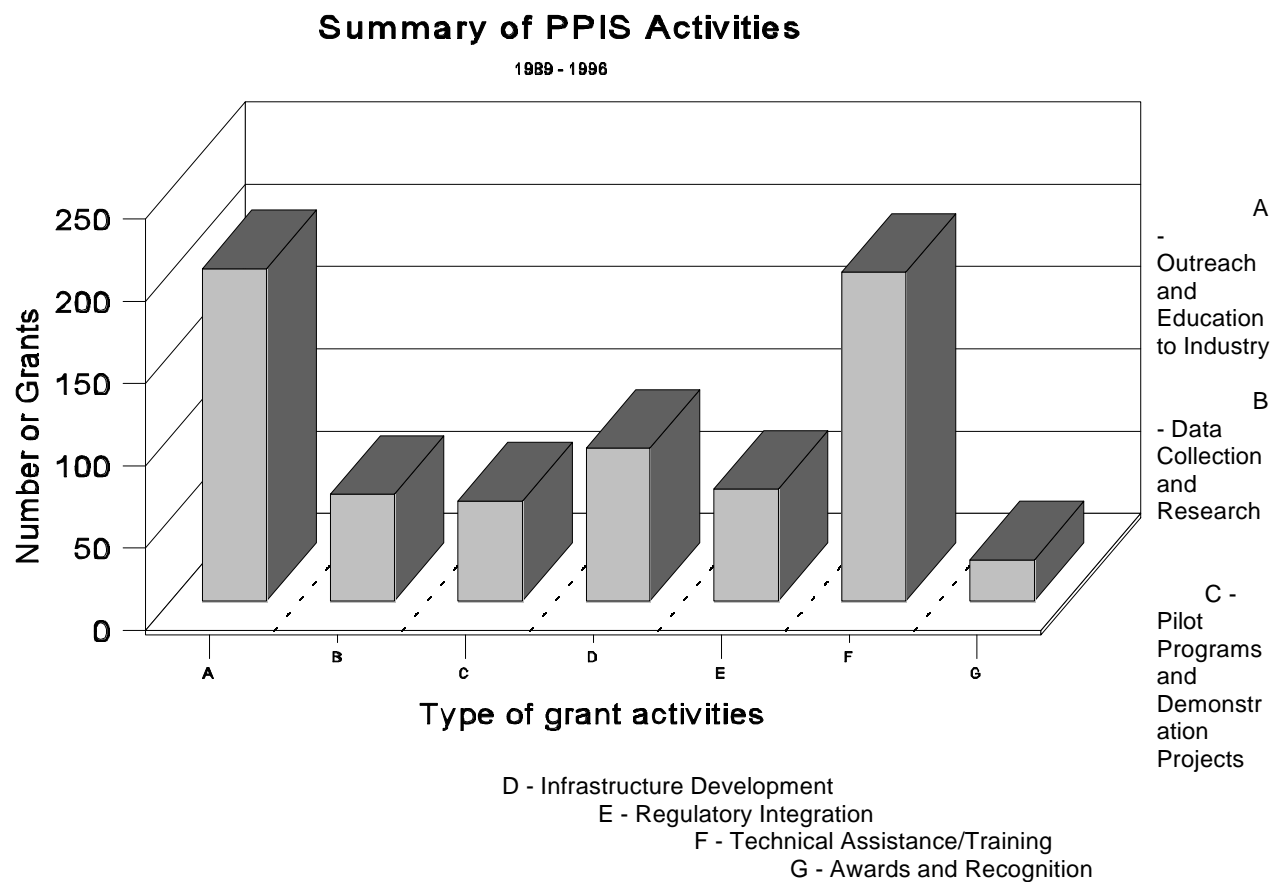
- Empower states to build a pollution prevention infrastructure.
- Learn from and build upon innovative means of implementing pollution prevention at both the state and facility level.
- Provide resources for pollution prevention technical assistance and training.
- Support states in establishing and expanding pollution prevention programs.
- Foster federal and state information sharing and communication.

The PPIS grant program has evolved - and will continue to evolve - to meet the agency's changing needs and priorities. In the first years of the grant program, EPA administered the grant program from EPA Headquarters in Washington, D.C., with the goal of jump-starting as many state pollution prevention programs as possible. EPA believed that by educating businesses and providing P2 technical assistance, the

businesses would quickly realize the benefits of a preventive approach and implement pollution prevention projects.

As the number of state pollution prevention programs expanded, EPA shifted responsibility for implementing the grant program from EPA Headquarters to the EPA Regions. This enabled the Regions to focus resources on regional priorities and institutionalize pollution prevention at the state level. Many states initiated regulatory integration projects to develop prevention strategies; train regulatory staff on P2 concepts; and examine opportunities for incorporating pollution prevention into permits, inspections, and enforcement. Some Regions also encouraged applicants to establish partnerships with state agencies in nonindustrial sectors such as agriculture, energy, health, and transportation.

As shown below, PPIS funded activities for 1989 - 1996 attempted to address a wide range of audiences by implementing a diverse mix of program activities. As is shown, grantees believe that technical assistance and educating industry about stopping the generation of waste at its source are parallel tracks in preventing pollution.



Over the past few years, two trends have emerged that have significantly changed the way environmental services are delivered at the state and federal level. First, the number of environmental assistance providers has dramatically increased over the

past several years. Second, states are developing comprehensive strategic plans for environmental protection.

Prior to the inception of the PPIS program, there were only a few organizations providing environmental assistance and only a handful of states offering any kind of pollution prevention technical assistance. During the early 1990's, the number of organizations providing technical assistance dramatically increased. Today, several hundred organizations provide business and/or environmental assistance. Some examples of providers include:

- National Institute for Standards and Technology (NIST) Manufacturing Extension Partnerships (MEPs)
- NIST Environmental Networks
- Small Business Development Centers (SBDCs)
- EPA Office of Enforcement and Compliance Assistance (OECA) Compliance Assistance Centers
- Small Business Assistance Programs (SBAPs)

These organizations have developed strong service delivery programs to the manufacturing and small business communities. Businesses are often familiar with these organizations, and are comfortable contacting them for assistance. Given their detachment from regulatory programs, businesses often trust these organizations and have strong relationships with them. While these organizations have connections to the business community, many lack specific pollution prevention expertise. Thus, EPA believes that partnerships between these organizations and pollution prevention programs can have a positive impact on environmental service delivery.

A second trend is the changing relationship between EPA and states and the way environmental services are delivered at the state level. The National Environmental Performance Partnership System (NEPPS) was established as part of the effort to reform EPA policy and practices related to oversight of state programs. NEPPS is intended, among other things, to provide states with more flexibility in using EPA resources. The system emphasizes mutual priority-setting and a focus on environmental results, rather than activity-specific review of programs. Performance Partnership Agreements (PPA) and Performance Partnership Grants (PPG) are the principal delivery mechanisms for this new approach. These mechanisms establish the framework for the State-EPA relationship for a one to two-year period. Under the NEPPS, states can develop Performance Partnership Agreements that articulate clear environmental objectives and meaningful measures to assess performance. These agreements will enable states to combine two or more categorical grants (including PPIS grants) into a multiple-program grant or Performance Partnership Grant (PPG).

EPA created NEPPS to improve environmental service delivery by:

- **Increased flexibility.** States and Tribes will have the flexibility to address their highest environmental priorities across all media and establish resource allocations based on those priorities, while continuing to address core program commitments.
- **Improved environmental performance.** States and Tribes can more effectively link program activities with environmental goals and program outcomes as well as develop innovative pollution prevention, ecosystem, and community-based strategies.
- **Administrative savings.** Recipients and EPA can reduce administrative burdens and costs by greatly reducing the numbers of grant applications, budgets, work plans, and reports.
- **Strengthened partnerships.** EPA will develop partnerships with States and Tribes where both parties have the same environmental and program goals and deploy their unique resources and abilities to accomplish these goals.

NEPPS is intended to take precedence over the traditional annual work plan process, however state participation in the NEPPS System is voluntary. For FY97, approximately 30 states have signed PPAs (24 environmental PPAs with 6 with either health or agriculture) and 36 states have signed PPGs (20 environmental PPGs with 16 with either health or agriculture), as of June 1997.

#### IV. 1998 NATIONAL CRITERIA

EPA is continuing to look at the various ways that states are delivering environmental services. The PPIS grant program can help foster the sustainability of state P2 programs and to ensure that pollution prevention is incorporated into state strategies and environmental service delivery systems.

To build upon the 1997 goals of the PPIS grant program, EPA will award 1998 PPIS funds to states that propose activities which:

- **Promote partnering among environmental and business assistance providers.** Starting in 1994, EPA required PPIS grant applicants to identify other environmental assistance providers in their states and to work with these organizations to educate businesses on pollution prevention. EPA believes that states lacking strong relationships with other environmental assistance providers will face difficulties securing state and federal resources in the future. EPA would like to encourage more cooperation among state pollution prevention programs, the NIST programs, SBDCs, SBAPs, OECA Compliance Assistance Centers, the large number of university cooperative extension programs and other business and

environmental assistance programs at the state level. Through the PPIS grant funds EPA is striving to support this development of a coordinated network of State environmental service providers that seek to leverage the expertise of the various environmental assistance organizations and show an ability to work jointly in an effort to promote pollution prevention in the state. EPA wants to help foster a cooperative network of environmental assistance providers. Cooperation among state business and environmental assistance providers is paramount in light of shrinking federal programs. EPA would like to ensure that state pollution prevention programs and other assistance providers establish cooperative working relationships which make best use of their respective areas of expertise and most effectively serve their clients. **To this end, applicants must provide documentation showing they have entered into a partnership agreement with one or more environmental or business assistance providers in their state.**

- Ē **Advance state environmental goals.** EPA believes it is important for the sustainability of state pollution prevention programs to complement the goals and strategies of the State Performance Partnership Agreements (PPAs), and Performance Partnership Grants (PPGs) under the National Environmental Performance Partnership System (NEPPS) or for those states not participating in the PPAs and PPGs, to show that the pollution prevention work they are undertaking complements and supports the state's environmental strategic plans. If the state environmental program lacks a single comprehensive environmental strategy, applications must show a correlation between the proposed activity and the environmental goals or objectives of the state environmental program. EPA believes P2 programs will continue to be valuable to the state environmental agency's top management if they can demonstrate how their actions will help advance state goals. EPA would like to ensure that pollution prevention is integrated at the state level by providing a service which supports the state's strategic plan. EPA encourages all applicants to develop initiatives and proposals in priority industry sectors, geographic areas, and /or State and Federal Reinvention activities, where applicable. **The application must demonstrate how pollution prevention activities will advance state environmental goals as stated in either PPAs, PPGs, or other state environmental strategic planning documents. Applicants submitting proposals that do not show a correlation between the environmental goals of the state and the proposed pollution prevention activity will not be considered as eligible for funding.**

- Ē **Promote accomplishments within the state's environmental programs.** EPA realizes the importance of documenting the program effectiveness and communicating those results to the affected media office. In order to create this link



between the regulatory program and the activities of the pollution prevention program, EPA has added this application criterion to ensure that the environmental programs in the state are aware of the contributions of the p2 program within their sectors/programs/geographic areas. By creating this positive feedback mechanism to the state's regulatory program, the grantee can market their accomplishments and consequently help promote the sustainability of the P2 program. EPA through the PPIS grants is working to encourage better awareness by the state regulatory and media programs of how pollution prevention and the state pollution prevention programs are helping the regulatory programs address increasingly complex environmental management problems. **To address this, applications must include what activities the pollution prevention program will undertake to ensure communication and feedback to the regulatory and other environmental programs showing how pollution prevention is helping to advance multimedia environmental protection.**

## **V. EXAMPLES OF ACTIVITIES THAT ADDRESS THE NATIONAL CRITERIA**

During this grant cycle, EPA will fund pollution prevention (as defined by EPA) activities that support state environmental goals, complement efforts of other environmental assistance providers in that state, and conduct outreach and communication to other state environmental programs. Examples of eligible activities include those activities that:

- **Complement activities of environmental assistance providers.** In FY 1994, EPA asked grant applicants to evaluate environmental networks in their states. EPA encourages grantees to review these programs once again in this grant cycle. Applicants should propose efforts that complement activities of other environmental assistance providers in the state and consider **partnering** to develop joint applications. All applicants should ensure that proposed activities do not duplicate actions underway by other environmental assistance providers in the state. Examples of activities eligible to support coordination among environmental assistance providers include:
  - Demonstrate how the pollution prevention program is serving the needs of other environmental or business assistance providers that do not have pollution prevention expertise.
  - Conduct a joint exposition with economic development agencies and university extension services to demonstrate pollution prevention technologies.
  - Partner with a business association or agricultural extension to deliver pollution prevention technical assistance.

Ë **Advance state environmental goals.** EPA will fund *only* those projects that clearly contribute to the achievement of state environmental goals, such as those articulated by their state's strategic plan or their Performance Partnership Agreements. During this grant cycle, EPA encourages States to **measure** pollution prevention progress and link their results to the state's environmental goals. Doing so will help state P2 programs demonstrate to top state management how pollution prevention can help them achieve environmental results in a cost-effective manner. In FY 1996, EPA funded states to develop measurement methodologies for pollution prevention. EPA encourages states to re-examine and to continue to implement these strategies. Strong proposals will clearly link their proposed activities with environmental goals. EPA encourages all applicants to develop proposals focused on priority industrial sectors, geographic areas, and/or State and Federal Reinvention activities (if applicable). Where the state environmental programs may lack a single comprehensive environmental strategy, PPIS applications must show a correlation between the proposed activity and the environmental goals, or objectives of the state environmental program.

Examples of eligible activities tied to specific goals include:

**State Environmental Goal****Eligible Activity**

Maintain ozone air quality standards in a geographic area with repeat violations

- Ë Develop incentives to increase use of mass transit and carpools in the specified area
- Ë Conduct onsite pollution prevention assessments at large facilities in the area
- Ë Impose prevention provisions in air permits for facilities in this area

Reduce the toxic chemicals in environmental waste generated by the metal finishing industry

- Ë Promote the availability of the OECA National Resource Center for Metal Finishing
- Ë Investigate innovative metal finishing technologies
- Ë Provide technical assistance to metal finishing industry and linking industry with small business compliance assistance programs

By 2000 reduce loadings of pollutants to POTWs by 10 percent

- Ë Conduct onsite P2 assessments for POTW significant industrial users (SIUs)
- Ë Require SIUs to reduce loadings through pollution prevention actions in permits
- Ë Conduct workshops on pollution prevention for SIUs

**State Environmental Goal****Eligible Activity**

Reduce quantity of hazardous waste generated by 20 percent (over 1995 levels) by 2000

- Ë Target largest hazardous waste generators for onsite assessments and outreach
- Ë Educate industry about ISO 14000 environmental management standards
- Ë Distribute pollution prevention information through inspection process

- Ë **Promote accomplishments within state's environmental programs.** In order to advance and market the impact of source reduction/pollution prevention activities back to the State's affected regulatory program, the applications are required to address how they propose to **promote** their accomplishments. All applications need to identify the various state program offices which will benefit from the

proposed activities and then document how the grantee's plan to keep the media programs informed. The purpose of including this criterion is to address a perceived lack of knowledge and understanding within the other state environmental programs of the work and activities being undertaken by the P2 program, often in support of regulatory efforts.

Examples of outreach activities to promote P2 accomplishments might include:

- participating in media specific conferences
- circulating a newsletter to media programs highlighting the accomplishments of the grant
- setting up a steering committee with media program representatives
- convening annual meetings with media program directors to brief them of the P2 activities
- provide updates to state legislatures and state environmental regulatory commissioners on the activities of the P2 program.

## **VI. AWARD PROCESS**

### **Eligibility**

Eligible applicants for purposes of funding under this program include the 50 states, the District of Columbia, the U.S. Virgin Islands, the Commonwealth of Puerto Rico, any territory of or possession of the United States, any agency or instrumentality of a state including state universities, and all federally-recognized Native American tribes. (For the purpose of this guidance the term "state" refers to all eligible applicants). Local governments, private universities, private nonprofit, private businesses, and individuals are not eligible for funding. EPA encourages these organizations to partner with eligible institutions to develop joint proposals.

### **Cost-Share Requirements**

Organizations funded must match Federal funds by at least 50 percent of the total award amount. State contributions can include dollars and/or in-kind goods and services.

### **Catalogue of Federal Domestic Assistance**

The Catalogue of Federal Domestic Assistance number assigned to this program is 66.708.

### **Timeline**

Interested applicants are requested to contact their EPA Regional Pollution Prevention Coordinator listed in Section VIII of this document to obtain specific timeframes for submitting proposals. Funding decisions will be made by April 1998.

### **Information Clearinghouse**

The Act required EPA to establish a source reduction clearinghouse to collect and compile information reported by States receiving grants under this program. The Pollution Prevention Information Clearinghouse (PPIC) was created with the idea that through technology transfer, education and public awareness, it is possible to reduce or eliminate industrial pollutants. The PPIC is a free, nonregulatory service offering reference and referral, document distribution, and a comprehensive library service. The PPIC Special Collection comprises State and Federal publications, pollution prevention manuals, training materials, conference proceedings, case studies, newsletters and videos. The holdings in this collection may be access through EPA's online library system.

In order to facilitate the transfer of information, all work products produced with Federal PPIS funds should be made available to the PPIC. This information will be catalogued and if possible, made publicly available on the EPA Web Server. Please contact [kent.christopher@epamail.epa.gov](mailto:kent.christopher@epamail.epa.gov) for more information concerning delivery of work products.

## **VII. NARRATIVE FORMAT**

In an effort to clearly document how the grant proposal meets the national criteria, the narrative portion of the application must be submitted in the following format:

There must be 3 sections for each of the three national criteria:

1. How the proposal meets the requirements set forth in each criteria  
(listed in bold on pages 6 and 7)
2. What tasks are to be accomplished to meet the criterion
3. What are the resulting deliverables from completing the above tasks.

## VII. 1998 NATIONAL PPIS APPLICATION CRITERIA

This section describes the criteria EPA will use to evaluate proposals under the PPIS grant program. In addition to proposing activities that meet EPA's definition of pollution prevention, applicants must:

**Ē Designate a state partner for the delivery of pollution prevention services.**

Applicants must include a letter of agreement between the applicant and at least one other environmental assistance provider in the state. This letter should describe how the two (or more) organizations will work together to deliver complementary services. States may select any established environmental assistance provider, including NIST MEP centers, SBDCs, SBAPs, OECA Compliance Assistance Centers, or university cooperative extension programs. EPA will give preference to applicants that develop joint proposals with these organizations.

**Ē Demonstrate how activities will advance state environmental goals.**

Applicants must describe how the proposed pollution prevention activities will complement the state's environmental goals. Successful applicants will clearly link activities to environmental goals established in these comprehensive strategies. EPA encourages states to develop initiatives and proposals in priority industry sectors, geographic areas, State and EPA Reinvention activities. If the state has an Environmental Partnership Agreement developed under NEPPS, the application needs to document how its activities address the Agreement's priorities. EPA encourages all applicants to develop proposals focused on priority industrial sectors, geographic areas, and/or State and Federal Reinvention activities (if applicable). Where the state environmental programs may lack a single comprehensive environmental strategy, PPIS applications must show a correlation between the proposed activity and the environmental goals, or objectives of the state environmental program.

**Ē Demonstrate how activities will interact with the State's regulatory**

**program.** Applicants must describe how their proposed pollution prevention activities will connect with their state's regulatory program issues. The work plan needs to incorporate identifiable activities (publishing success stories in media specific newsletters, setting up semiannual meetings with media directors, etc.) which incorporated media relevant information back the affected regulatory program.

## VIII. CONTACTS

Interested applicants are requested to contact the appropriate EPA Regional Pollution Prevention Coordinator listed below to obtain specific regional criteria, timelines, instructions, and guidance prior to submitting proposals.

State	REGIONAL EPA OFFICE	PHONE
CT, MA, ME, NH, RI, VT	Mark Mahoney US EPA Region 1 JFK Federal Building/ SPN Boston, MA 02203	(617) 565-1155
NJ, NY, PR, VI	Janet Sapadin US EPA Region 2 (2-OPM-PPI) 290 Broadway, 25th Floor New York, NY 10007-1866	(212) 637-3584
DC, DE, MD, PA, VA, WV	Jeff Burke US EPA Region 3 (3ES43) 841 Chestnut Building Philadelphia, PA 19107	(215) 597-0765
AL, FL, GA, KY, MS, NC, SC, TN	Bernie Hayes US EPA Region 4 61 Forsyth St SW Atlanta, GA 30303	(404) 562-9430
IL, IN, OH, MI, MN, WI	Phil Kaplan US EPA Region 5 (DRP-8J) 77 West Jackson Boulevard Chicago, IL 60604-3590	(312) 353-3387
AR, LA, NM, OK, TX	Eli Martinez US EPA Region 6 (6EN-XP) 1445 Ross Avenue, Suite 1200 Dallas, TX 75202	(214) 655-2119
IA, KS, MO, NE	Marc Matthews US EPA Region 7 (ARTD/TSPP) 726 Minnesota Avenue Kansas City, KS 66101	(913) 551-7517
CO, MT, ND, SD, UT, WY	Linda Walters US EPA Region 8 (8P2-P2) 999 18th Street, Suite 500 Denver, CO 80202-2405	(303) 312-6385
AZ, CA, HI, NV, AS, GU	Bill Wilson US EPA Region 9 (WST-1-1) 75 Hawthorne Street San Francisco, CA 94105	(415) 744-2192



<b>State</b>	<b>REGIONAL EPA OFFICE</b>	<b>PHONE</b>
AK, ID, OR, WA	Carolyn Gangmark US EPA Region 10 1200 Sixth Avenue Seattle, WA 98101	(206) 553-4072